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PASS: TREASURY, FEDERAL RESERVE, COUNCIL OF ECONOMIC
ADVISORS

E.O. 11652: N/A
TAGS: OECD, ECON
SUBJECT: WORKING GROUP OF SHORT-TERM FORECASTERS REPORT
ON MAY 22-23 MEETING

1. INTRODUCTION AND SUMMARY: SECRETARIAT AND NATIONAL
FORECASTERS WERE IN EXTENSIVE AGREEMENT ON KEY ECONOMIC
MAGNITUDES FOR 1978; I.E., OECD GROWTH AROUND 3.5 PER-
CENT (EUROPE 2.5), INFLATION 7.0 PERCENT (EUROPE 8.0),
EXPORT VOLUME 4 TO 4-3/4 PERCENT, DESPITE SMALL DIFFER-
ENCES OF OPINION ON SOME COUNTRY FORECASTS, USUALLY
BASED ON DIFFERING ASSUMPTIONS ABOUT INFLATION AND PRI-
VATE SECTOR RECOVERY. COUNTRY EXPERTS WERE VIRTUALLY
SILENT ON 1979 MUCH TO CONSTERNATION OF SECRETARIAT,
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PARTICULARLY IN LIGHT OF "CONCERTED ACTION" SIMULATION
THROUGH FIRST HALF 1979. DESPITE ITS OWN 1979 I FORE-
CAST OF CONTINUATION 78I TRENDS, SECRETARIAT FEARS FALL-
OFF IN DEMAND AS FISCAL STIMULUS IS REDUCED, BASED ON
NO-POLICY-CHANGE ASSUMPTION, IN SEVERAL KEY COUNTRIES
COMBINED WITH SERIOUS INFLATION THREAT TO GROWTH IN U.S.
MEETING CONCENTRATED MORE ON TECHNICALITIES THAN LAST

NOVEMBER, DUE PERHAPS TO NOTABLE ABSENCE OF DISCUSSION ON COUNTRY TARGETS AND ENSUING NORMATIVE ELEMENTS IN FORECASTS, EXCEPT IN CASE OF JAPAN. COUNTRY NOTES ON BIG SEVEN AND COMPARATIVE TABLES ARE PROVIDED AT END OF CABLE. END SUMMARY

OVERVIEW OF FORECASTS

2. GNP/GDP (AND DOMESTIC DEMAND): SECRETARIAT AND COUNTRY FORECASTS WERE REMARKABLY SIMILAR, INDICATING OECD-WIDE GROWTH IN 1978 OF 3.7 FOR GNP/GDP (3.7 FOR DOMESTIC DEMAND; I.E., FIGURES IN PARENTHESIS) ACCORDING TO WEIGHTED COUNTRY FORECASTS, 3.4 (3.4) FOR SECRETARIAT. APART FROM OFFSETTING DIFFERENCES FOR SMALL OECD COUNTRIES, ENTIRE DIFFERENCE EXPLAINED BY DIVERGENCES OF OPINION ON BIG SEVEN. USG FORECAST ENTERED AS 3.9 (3.8) VS. SECRETARIAT'S 3.7 (4.0), DUE TO DIFFERENCES ON INFLATION ASSUMPTIONS THUS DIFFERENCES ON REAL PRIVATE CONSUMPTION AND INVESTMENT. LARGEST DIFFERENCE WITH JAPAN WHICH FORECASTING 6.5 (7.0) AGAINST SECRETARIAT'S 5.5 (5.0), EXPLAINABLE BY MORE OPTIMISTIC JAPANESE EXPECTATION FOR PRIVATE SECTOR RECOVERY. GERMANY DIDN'T GIVE NEW FORECAST, BUT ALSO DID NOT DISPUTE SECRETARIAT'S 2.8 PERCENT. FRANCE (3.3) 8ND UK (2.7) FORECASTS ARE VIRTUALLY IDENTICAL TO SECRETARIAT ESTIMATES. CANADA FORECAST 4.5 (3.2) AND ITALY 2.0 (1.5), LIMITED OFFICIAL USE

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BOTH ONE-HALF POINT ABOVE SECRETARIAT'S 4.0 (2.6), 1.5 (0.9), DUE TO DIFFERING INFLATION EXPECTATIONS, PLUS GREATER OPTIMISM ON EXPORT GROWTH. OECD EUROPE COMMON FORECAST IS 2.5, EEC, 2.8 PERCENT.

3. PRICES AND INFLATIONS: SOME KEY DIFFERENCES BETWEEN COUNTRIES AND SECRETARIAT ON INFLATION INFLUENCED DEMAND FORECASTS, BUT FOR OECD AS A WHOLE, PROJECTIONS WERE VIRTUALLY IDENTICAL AT 7 PERCENT FOR GNP/GDP DEFLATOR AND CPI. OECD EUROPE AND EEC RAN ABOUT ONE POINT HIGHER. CONSIDERABLE ATTENTION WAS DEVOTED TO USG INFLATION FORECAST OF 6-1/2 PERCENT DEFLATOR GROWTH 79I/78I VS. SECRETARIAT'S 7.8 PERCENT, PARTICULARLY IN TERMS OF LIKELY POLICY AND PRIVATE SECTOR RESPONSE WHICH WOULD INFLUENCE GROWTH. IBRD REP REPORTED RECENT COMMODITY PRICE STUDY SUGGESTS BOTTOMING-OUT ABOUT NOW WITH UPTREND FOR REMAINDER OF 1978, ALTHOUGH YEAR-ON-YEAR WOULD SHOW DECLINE FOR 1978.

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4. FOREIGN TRADE AND EXTERNAL ACCOUNT: SECRETARIAT NOTED THAT COUNTRY FORECASTS WERE UNUSUALLY CONSISTENT WITH EACH OTHER IN TERMS OF PROJECTED EXPORTS/IMPORTS ON GLOBAL BASIS. COUNTRIES' TERMS OF TRADE FORECASTS SLIGHTLY MORE PESSIMISTIC THAN SECRETARIAT'S, LEADING TO SUBSTANTIALLY DIFFERENT AREA-WIDE CURRENT ACCOUNT FORECASTS; COUNTRIES CUMULATING TO OECD-WIDE \$22 BILLION DEFICIT VS. SECRETARIAT'S \$15 BILLION DEFICIT (AGAINST \$2-3/4 BILLION DEFICIT ON TRADE ACCOUNT). BOTH IMF AND IBRD FELT SECRETARIAT UNDERESTIMATED ESTIMAT IMPORTS AND EXPORTS OF NON-OIL LDC'S.

5. LOOKING FORWARD TO 1979: SECRETARIAT DISAPPOINTED THAT MOST COUNTRIES UNABLE (OR UNWILLING) TO SUPPLY 1979 FIRST HALF (1979 I) FORECASTS, SINCE IT FELT CY1978 NOT A MEANINGFUL PERIOD TO LOOK AT FOR POLICY REASONS SO LATE IN YEAR. SECRETARIAT ALSO FEARS EXCESSIVE OPTIMISM IN ITS OWN FORECAST THAT 1978 GROWTH TRENDS WILL BE LIMITED OFFICIAL USE

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MANTAINED INTO 1979, SINCE 1978 WILL BENEFIT FROM SUB-

STANTIAL FISL STIMULUS IN MANY KEY COUNTRIES (FRG, JAPAN, UK) WHICH ON BASIS PRESENT POLICIES, WILL HAVE BEEN SUBSTANTIALLY REDUCED BY 1979 I. NEVERTHELESS, SECRETARIAT SEES U.S. AS KEY, AND U.S. INFLATION RATE AS MOST SERIOUS DANGER IN FORECAST. U.S. DEL SUGGESTED THAT SECRETARIAT'S 7.8 PERCENT INFLATION RATE (79I/78I) WAS EXCESSIVELY PESSIMISTIC AND BASED ON INCORRECT INTERPRETATION OF RECENT HOURLY WAGE TRENDS. IF USG WERE SO PESSIMISTIC ON INFLATION, IT LIKELY THAT POLICY AND PUBLIC REACTION WOULD LOWER REAL GROWTH EVEN BELOW SECRETARIAT'S 3 PERCENT FORECAST.

DISCUSSION OF TECHNICAL ANNEXES TO CPE(78)5

6. INTERNATIONAL LINKAGE ADJUSTMENT MODEL: SECRETARIAT EXPLAINED THAT MODEL BEING USED IN "CONCERTED ACTION" SIMULATIONS IS ATTEMPT TO SPECIFY SMALL, SIMPLE COUNTRY MODELS WHICH WILL ACT LIKE LARGE COUNTRY MODELS AND TOGETHEH WILL ACT LIKE OECD AS A WHOLE WHEN SHOCKED. SECRETARIAT REQUESTED BILATERAL CONSULTATIONS ON CHARACTERISTICS OF MODELS. DELEGATES CRITICIZED OVERALL CONSTRUCTION IN TWO MAJOR AREAS: (1) AUSTRALIAN DELEGATE, SUPPORTED BY GERMANY, ARGUED THAT MODEL COULDN'T DISTINGUISH DIFFERENTIAL EFFECTS AMONG TYPES AND MAGNITUDES OF STIMULUS; E.G., WHETHER FISCAL POLICY VIA TAX CUTS OR EXPENDITURE INCREASES OR AUTONOMOUS VIA EXPORTS OR INVESTMENT. MULTIPLIERS WERE THEREFORE NOT NECESSARILY RELIABLE FOR POLICY PURPOSES; (2) ITALIAN, FRENCH AND GERMAN DELS NOTED LACK OF EXCHANGE RATE FEEDBACK COMPONENT, WHICH COULD SWAMP INITIAL POLICY STIMULUS. SECRETARIAT SAID IT RELUCTANT TO GET INTO FORECASTING EXCHANGE RATES, APART FROM OBVIOUS TECHNICAL LIMITED OFFICIAL USE

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DIFFICULTIES IN DOING SO. AT CONCLUSION OF MEETING, SECRETARIAT SUGGESTED THAT AT NEXT MEETING OF SHORT-TERM FORECASTERS, MODEL WOULD BE EMPLOYED TO TEST AREA-WIDE CONSISTENCY OF COUNTRY FORECASTS, AND, IF THEY PROVE TO BE INCONSISTENT, TO DEVELOP NEAREST CONSISTENT FORECAST TO THOSE PRODUCED BY COUNTRIES.

7. INFLATION AND CONCERTED ACTION: SECRETARIAT NOTED THAT IT WAS IN EARLY STAGES OF DEVELOPING ANALYTIL TOOLS IN THIS AREA AND THAT CURRENT ATTEMPT IS MORE A "BACK OF THE ENVELOPE" CALCULATION THAN AN ARTICULATED MODEL. SECRETARIAT WELCOMED COUNTRY COMMENTS ON (A) EXTENT TO WHICH PRODUCTIVITY GAINS CAN BE EXPECTED TO OFFSET NOMINAL WAGES DURING RECOVERY AND (B) RELATIONSHIP BETWEEN GROWTH RATE AND INFLATION. THERE WAS NO SUBSTANTIVE DISCUSSION OF ANNEX WITH SEVERAL DELE-

GATES NOTING THAT DOCUMENT ONLY JUST ISSUED, AND OFFERING TO EXCHANGE VIEWS WITH SECRETARIAT IN FUTURE.

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COUNTRY NOTES

8. UNITED STATES: U.S. DEL (HEADED BY ROGER BRINNER, CEA) DISTRIBUTED WRITTEN STATEMENT (AVAILABLE FROM CEA) ON FORECAST PERFORMANCE OF U.S. DOMESTIC ECONOMY SHOWING 4 - 4-1/2 PERCENT GROWTH THROUGH 1978, OR 3.9 PERCENT YEAR-ON-YEAR WITH SIMILAR OUTLOOK FOR 1979. INDICATORS OF STRONG INVESTMENT RECOVERY, ESPECIALLY NON-RESIDENTIAL CONSTRUCTION, PUTS RISKS IN THIS SECTOR ON UP-SIDE IN ABSENCE OF INFLATION ACCELERATION AND INDICATES THAT BUSINESS SECTOR OPTIMISTIC. BRINNER ADDED THAT INFLATION PRESSURE WAS CHIEF CONSTRAINT ON GROWTH, WITH OUTLOOK FOR 6-3/4 - 7 PERCENT INFLATION THROUGH 1978, ALTHOUGH USG MORE OPTIMISTIC THAN SECRETARIAT ON WAGE AND PRODUCTIVITY DEVELOPMENTS. (SECRETARIAT HAS APPROXIMATE 7.5 PERCENT CPI INCREASE; 7.8 PERCENT DEFLATOR INCREASE 791/781.) RECENT WIDENING OF UNION/NON-UNION PAY GAP WILL REQUIRE CONSIDERABLE MODERATION IN 1979 KEY UNION NEGOTIATIONS.
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ON EMPLOYMENT AND GROWTH, BRINNER ATTRIBUTED RESIDUAL ERROR FROM PAST RELATIONSHIPS (1 PERCENT UNEMPLOYMENT RATE REDUCTION) TO FOUR FACTORS: (A) PUBLIC SECTOR JOB PROGRAM; (B) SLOWER-THAN-NORMAL GROWTH OF WEEKLY HOURS WORKED; (C) EXCEPTIONAL GROWTH IN NUMBER OF SELF-EMPLOYED; AND, (D) WEAK PRODUCTIVITY, WHICH ALONE COUNTS FOR ABOUT HALF OF ERROR. ON EXTERNAL ACCOUNT, USG FORECAST 1978 TRADE DEFICIT IN RANGE \$32-35 BILLION, CURRENT ACCOUNT \$22-25 BILLION. FIRST QUARTER 1978 IMPORT SURGE SEEN AS TEMPORARY AND REVERSIBLE, BUT MAJOR QUESTION ON TIMING OF SUCH REVERSAL.

9. JAPAN: JAPANESE DEL (YAMADA OF EPA) EXPRESSED CONFIDENCE THAT 7 PERCENT GROWTH PATH WOULD BE ACHIEVED BY END-1979, WITH PRIVATE SECTOR SHOWING UNEXPECTED STRENGTH WHICH IS NOW EXPECTED TO SUSTAIN THE RECOVERY, ALTHOUGH PUBLIC INVESTMENT PROGRAM WILL REMAIN KEY ELEMENT. CONSTRUCTION AND RELATED SECTORS ARE RESPONDING TO INCREASED DEMAND. CURRENT SURPLUS OF \$11.5 BILLION NOW FORECAST FOR 1978, WITH SECOND HALF, SEASONALLY ADJUSTED, OF \$2.9 BILLION (\$5.8 BILLION, S.A.A.R.). TRADE SURPLUS NOT EXPECTED TO SHOW SHARP REDUCTION UNTIL AFTER FOURTH QUARTER 1978, THEREFORE GJV PLANS USE NON-MACRO TOOLS TO REDUCE CURRENT ACCOUNT SURPLUS UNTIL TRADE ACCOUNT RESPONDS TO NEW INTERNATIONAL CONDITIONS.

10. GERMANY: ACCORDING FRG DEL (SUSSE, ECONOMICS MINISTRY) EXCEPTIONALLY WEAK FIRST QUARTER (1978) HAS CAST DOUBT ON 1978 GROWTH PROFILE AND 3-1/2 PERCENT YR-ON-YEAR TARGET. INDICATORS POINT TO STRONG RECOVERY FROM FIRST QUARTER, WHICH DEPRESSED BY "SPECIAL FACTORS," E.G., STRIKES, WEATHER, EXCHANGE MARKET DISTURBANCES, BUT NOT SUFFICIENT TO MEET TARGET. IN PRIVATE

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TO SECRETARIAT, /FG DEL STATED SECRETARIAT FORECAST OF 2.8 PERCENT GNP GROWTH FOR 1978 WAS "REALISTIC." FRG DEL REMINDED SECRETARIAT THAT MEDIUM-TERM INVESTMENT PROGRAM AND WORKING-THROUGH OF 1977 TAX CUTS WOULD IMPART FISCAL STIMULUS INTO 1979. NEED FOR FURTHER FISCAL STIMULUS WAS NOT REJECTED OUT-OF-HAND, IN FACT REP STATED STABILIZATION LAW PROVIDED FOR QUICK TAX CHANGES IF GOVERNMENT DEEMED NECESSARY. CURRENT ACCOUNT SURPLUS PROJECTED AT DM 8.5 BILLION FOR 1978, TAKING ACCOUNT OF MAJOR INCREASE IN TRANSFERS TO EEC. FRG REP CITED GROWTH OF IMPORTS ("SECOND HIGHEST IN OECD") AS PROOF THAT DOMES-

TIC GERMAN DEMAND NOT INSUFFICIENT.

11. FRANCE: FRENCH DEL (MONET, ECONOMY) NOTED THAT CONDITIONS FAVORABLE FOR RECOVERY OF INDUSTRIAL PRODUCTION, SINCE HOUSEHOLD AND BUSINESS DEMAND STRONG AND STOCKS WELL-ADJUSTED DOWNWARD. INFLATION RISK EXISTS IF FREEING OF PRICES IS ABUSED, BUT DEL SEEMED TO BE OPTIMISTIC. ON EXTERNAL ACCOUNT, FRENCH DEL EMPHASIZED TENDENCY FRENCH ECONOMY HAS TO SUCK IN IMPORTS WHEN PRODUCTION RECOVERS AND THUS CITED NEED FOR GOOD EXPORT PERFORMANCE TO PREVENT BOP CONSTRAINT. DEL, IN RESPONSE TO ITALIAN QUESTION, EXPLAINED RECENT MARKET SHARE GAINS AS RECOVERY OF AGRICULTURAL EXPORTS FOLLOWING DROUGHT RATHER THAN COMPETITIVE GAINS. FRENCH AUTHORITIES EXPECT STRONGER INVESTMENT OUTLOOK, BETTER PRICE BEHAVIOR THAN SECRETARIAT.

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12. U.K.: LITTLE NEW ON UK OUTLOOK. UK DEL INDICATED HMG MORE OPTIMISTIC THAN EARLIER ON EARNINGS OUTLOOK, SINCE PRICE RISES DOWN AND REAL EARNINGS UP AFTER THIRD ROUND, CREATING FAVORABLE SETTING FOR NEXT ROUND. UK DEL REJECTED IMPROVED COMPETITIVE POSITION AS EXPLANA-

TION OF 1977 EXPORT STRENGTH, CITING INCONSISTENCY WITH PAST BEHAVIOR OF LAGS AFTER COMPETITIVENESS GAINS; I.E., 1976 COMPETITIVENESS GAINS, SHOULD BE REALIZED WITH FOUR-YEAR ASYMETRICALLY DISTRIBUTED LAG GIVING LARGEST IMPACT IN 1978-1979. UK DEL DID NOT OFFER ALTERNATIVE EXPLANATION, CALLING EXPORT PERFORMANCE AN ENIGMA.

13. CANADA: CANADIAN DEL (BROWNE, FINANCE) GENERALLY MORE OPTIMISTIC ON CANADIAN OUTLOOK THAN SECRETARIAT, BOTH IN TERMS OF GROWTH, INFLATION AND BOP. PRIVATE CONSUMPTION IS MAJOR AREA OF DISAGREEMENT. RECENT FISCAL PACKAGE DESCRIBED AS ATTEMPT TO HAVE MAXIMUM IMPACT ON PRICE LEVEL, THUS UNIQUE ARRANGEMENT OF FEDERAL/PRO-LIMITED OFFICIAL USE

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VINCE SALES TAX CUTS WHICH TURN OUT TO FAVOR CONSUMER AND PRODUCER DURABLE PURCHASES. ON BOP, CANADIAN DEL FELT SECRETARIAT'S ESTIMATE OF INVISIBLES DEFICIT (\$U.S. 8 BILLION) WAS UNREASONABLE, THUS EXAGGERATING CURRENT ACCOUNT DEFICIT (U.S. \$3.6 BILLION). CANADIAN FORECAST IS U.S. \$2.5 BILLION DEFICIT FOR 1978.

14. ITALY: ITALIAN ECONOMY DESCRIBED AS ENTERING PRODUCTION RECOVERY AFTER 1977 SLUMP; SECRETARIAT EXPECTS DECLINE. ITALY EXPECTS STAGNATING INVESTMENT; SECRETARIAT PROJECTS 4 PERCENT DECLINE. EXPORT PERFORMANCE, ACCORDING ITALIAN DEL, DUE TO STRUCTURAL CHANGE IN INDUSTRY ADJUSTING TO TERMS OF TRADE CHANGES. CURRENT ACCOUNT SURPLUS, DUE TO AND CONSISTENT WITH WEAK DOMESTIC DEMAND, NEEDED TO REPAY HEAVY DEBT BURDEN. ITALIAN DEL EMPHASIZED ROLE OF GENERALIZED EUROPEAN RECOVERY IN FUTURE PROSPECTS FOR ITALIAN ECONOMY.

TABLES

15. FOLLOWING COMPARATIVE TABLES PROVIDE SECRETARIAT AND COUNTRY FORECASTS FOR GNP, PRICES (BOTH GNP DEFLATOR AND CPI), EXPORTS AND IMPORTS, TRADE AND CURRENT BALANCES.

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TABLE 1

GNP/GDP

PERCENTAGE CHANGES FROM PREVIOUS YEAR

1977 1978

COUN- SECRE- COUN- SECRE-

TRIES' TARIAT TRIES' TARIAT

UNITED STATES (GNP) 5.0 4.9 3-3/4 - 4 3.7

JAPAN (GNP) 5.1 5.1 6.5 5.5

GERMANY (GNP) 2.4 2.4 (2.8)A 2.8

FRANCE (GDP) 3.0 3.0 3.3 3.3

UNITED KINGDOM 0.5 0.7 2.7 2.6

CANADA (GNP) 2.6 2.6 4.5 4.0

ITALY (GDP) 1.7 1.7 2.0 1.5

SEVEN MAJOR 3.9 3.9 4.0 3.7

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COUNTRIES

TOTAL SMALLER

EUROPEAN COUN- 1'9 1.9 1.9 1'8

TRIES

AUSTRALIA 2.1 2.1 4.1 4.1

NEW ZEALAND -0.3 0 0.2 -0.6

TOTAL OECD 3.6 3.6 3.7 3.4

MEMORANDUM ITEMS:

VECD EUROPE 2.0 2.1 2.5 2.5

EEC 2.1 2.1 2.8 2.8

(A) GERMAN DEL DID NOT PROVIDE FORECAST.

TABLE 2

GNP/GDP DEFLATORS

PERCENTAGE CHANGES FROM PREVIOUS YEAR

	1977	1978		
	COUN- TRIES'	SECRE- TARIAT	COUN- TRIES'	SECRE- TARIAT
UNITED STATES (GNP)	5.5	5.5	6.5 - 7	6.6
JAPAN (GNP)	6.3	6.2	4.2	4.2
GERMANY (GNP)	3.7	3.7	...	3.9
FRANCE (GDP)	8.7	8.7	9.2	9.0

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UNITED KINGDOM	12.2	14.1	9.7	11.6
CANADA (GNP)	6.5	6.5	5.7	6.4
ITALY (GDP)	18.3	18.3	13.5	12.7

SEVEN MAJOR COUNTRIES 6.8 6.9 6.7 6.8

TOTAL SMALLER

EUROPEAN COUNTRIES 10.3 10.4 8.6 8.7

AUSTRALIA	9.4	9.4	7.3	7.3
NEW ZEALAND	14.5	14.0	11.3	11.8

TOTAL OECD 7.3 7.4 7.0 7.1

MEMORANDUM ITEMS:

OECD EUROPE 9.3 9.6 8.1 8.3

EEC 8.7 9.0 7.7 7.9

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TABLE 3

CONSUMER PRICES

PERCENTAGE CHANGES FROM PREVIOUS YEAR

1977 1978

COUN- SECRE- COUN- SECRE-
TRIES' TARIAT TRIES' TARIAT

UNITED STATES 6.8(A) 5.6 7-7.5(A) 6.7

JAPAN 8.1 7.6 6.2 5.1

GERMANY 3.9' 3.9 ... 3.1

FRANCE 9.5 9.5 8.9 9.1

UNITED KINGDOM 14'2 14.0 7.6 8.5

CANDA 7.3 7.3 6.1 7.0

ITALY 18.0 18.4 13.0 12.5

SEYEN MAJOR 7.9 7.3 7.0 6.7

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COUNTRIES

TOTAL SMALLER

EUROPEAN COUNTRIES 11.1 11.1 8.8 8.9

AUSTRALIA 12.3 12.3 7.0 8.0
NEW ZEALAND 14.4 14.4 10.0 12.0

TOTAL OECD 8.4 7.9 7.2 7.0

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OECD EUROPE 9.9 10.0 7.6 7.8

EEC 9.2 9.3 6.9 7.0

(A) CPI (ANNUAL DATA DECEMBER/DECEMBER FOR UNITED STATES)

TABLE 4

VOLUME OF TOTAL TRADE (PERCENTAGE CHANGE)

VOLUME OF TOTAL IMPORTS VOLUME OF TOTAL EXPORTS

1978 1978
SECRETARIAT COUNTRIES SECRETARIAT COUNTRIES

UNITED STATES 4.5 3.0 4.0 3.0
CANADA 0.25 0.75 5.0 6.0
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JAPAN 8.75 11.0 6.0 1.75
FRANCE 5.75 7.75 6.75 6.5
GERMANY 6.5 5.5 3.0 3.5
ITALY 4.5 5.5 4.25 5.5
UNITED KINGDOM 5.75 7.5 ... 3.75

BIG SEVEN COUNTRIES 5.25 5.5 4.5 4.0

OTHER OECD COUNTRIES 0.75 1.25 4.75 4.25

OECD 4.0 4.25 4.75 4.0

TABLE 5

TRADE AND CURRENT BALANCES (\$ BILLIONS)

TRADE BALANCE CURRENT BALANCE

1978 2978
 SECRE- COUN- SECRE- COUN-
 TARIAT TRIES' TARIAT TRIES'

UNITED STATES	-36.0	-32/-35	-24.5	-22/-25
CANADA	4.5	4.5	-3.5	-2.5
JAPAN	24.75	19.0	18.0	11.5
FRANCE	-1.5	...	-1.75	-1.75
GERMANY	23.0	22.0	6.25	4.25
ITALY	1.0	0.75	3.25	3.0
UNITED KINGDOM	-1.0	-2.75	1.25	1.25

BIG SEVEN 14.75 8.5 -1.0 -8.0
 COUNTRIES

OTHER OECD -17.5 '.. -14.0 -14.0
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COUNTRIES

OECD -2.75 ... -15.0 -22.0

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Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, ECONOMIC REPORTS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS16622
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780220-0889
Format: TEL
From: PARIS USOECD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780519/aaaaapxm.tel
Line Count: 686
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e5b5ba96-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 13
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2569108
Secure: OPEN
Status: NATIVE
Subject: WORKING GROUP OF SHORT-TERM FORECASTERS REPORT ON MAY 22-23 MEETING
TAGS: ECON, OECD
To: STATE USEEC
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e5b5ba96-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014